



MONTANA LEGISLATIVE BRANCH

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Legislative Fiscal Analyst
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DATE: September 24, 2004

TO: Legislative Finance Committee

FROM: Alan G. Peura, Associate Fiscal Analyst

RE: Status Report on Postsecondary Education Policy and Budget Subcommittee

The Postsecondary Education Policy and Budget Subcommittee (PEPB) is a subcommittee of the interim Education and Local Government Committee that is staffed by the Legislative Fiscal Division (LFD) and Legislative Services Division (LSD). This status report is provided to the Legislative Finance Committee (LFC) to inform committee members of LFD staff activities in regard to PEPB.

The subcommittee completed its interim work plan with a meeting in July and reported the following to the Education and Local Government Interim Committee

SHARED LEADERSHIP PROJECT

This PEPB project culminated in the report "Six Action Items Designed to Implement Shared Leadership for a Stronger Montana Economy", which was presented across Montana in 15 community-based conversations. In order to give more direction to staff on this project, PEPB, in a joint meeting with the Board of Regents of the Montana University System, identified the following three priorities among the six action items:

1- Workforce Training and Education

This initiative focuses on four actions:

- o Strategic direction and overall system coordination (business, industry, government and the university involved)
- o Standardize two-year college programs in high demand occupation areas
- o Create a career pathways system
- o Develop better workforce system data management

2- Promote and Enhance Access to Postsecondary Education

This initiative is intended to lower the barriers to postsecondary education in Montana. It combines strategies of outreach to younger students (middle school level) and at-risk students to build a commitment to higher education upon

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graduation, as well as lowering the economic barriers through increased financial assistance opportunities.

3- Distance Learning

This initiative involves coordinating on-line delivery of education across all units of the Montana University System. A primary goal is that this will increase access to higher education for rural students, non-traditional students and workers seeking job training course work.

The Office of the Commissioner for Higher Education (OCHE) will be working together with the Governor's Office of Economic Development to begin implementing these three priorities and the six action initiatives. The full 37-page report is available online at:

http://leg.mt.gov/content/committees/interim/2003_2004/edu_local_gov/sub_com/pepb/six_actions_items.pdf

JOINT RESOLUTION BILL DRAFT REQUESTED BY COMMITTEE

PEPB asked that the Education and Local Government Interim Committee request a bill draft for a "Joint Resolution...urging the Legislature to support the efforts of the Board of Regents and the Montana University System...in implementing 'Shared Leadership...' The Interim Committee unanimously agreed to the bill request, which itself has no fiscal impact, though OCHE will seek funding to support project implementation.

ACCOUNTABILITY MEASURES FOR THE UNIVERSITY SYSTEM

PEPB and the Board of Regents renewed their agreement from the prior interim that commits the Montana University System to a series of accountability measures that will serve as indicators of success in delivering a quality higher education. The agreement (attached) obligates the Office of the Commissioner of Higher Education to submit a bi-annual accountability report to the legislature that outlines progress toward these accountability measures. The next report will be submitted in January 2005.

Going forward, PEPB has discussed creating benchmarks for these accountability measures in an effort to develop a clearer basis for fiscal and budget decisions relating to University System appropriations in the future.

AGREEMENT

WHEREAS, Article VIII, section 12, of the Montana Constitution vests in the Legislature the responsibility to ensure strict accountability of all revenue received and spent by the state, counties, cities, and towns and all other local governmental entities; and

WHEREAS, Article X, section 9, of the Montana Constitution vests in the Board of Regents of Higher Education the full power, responsibility, and authority to supervise, coordinate, manage, and control the Montana University System and to supervise and coordinate other public institutions assigned to it by law; and

WHEREAS, the Joint Subcommittee on Postsecondary Education Policy and Budget, comprised of members representing the Montana Legislature, the Montana Board of Regents, and the Executive Branch, has identified statewide public postsecondary education policy goals and accountability measures with the input and feedback of the Montana University System;

This AGREEMENT, between the Joint Subcommittee on Postsecondary Education Policy and Budget and the Montana University System, identifies the statewide public postsecondary education policy goals and related accountability measures that will be used as an assessment tool for policymakers, the university system, and the public in evaluating the achievement of the policy goals.

The policy goals and accountability measures are as follows:

1. Prepare students for success through quality education
 - a. Completion Rates
 - b. Retention Rates
2. Promote access and affordability
 - a. Affordability compared to other states
 - b. State Support as a percent of personal income and per capita income
3. Deliver efficient, coordinated services
 - a. Transferability among institutions
 - b. Percent of expenditures in instruction, administration, athletics, etc.
4. Be responsive to market and employment needs and opportunities
 - a. Job placement rates by field or program
 - b. Growth in FTE enrollment, certificates, and degrees conferred in 2-yr education
5. Contribute to Montana's economic and social success
 - a. Research and Development receipts and expenditures
 - b. Technology transfers (licensing and commercialization)

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6. Collaborate with the K-12 school system and other postsecondary education systems
 - a. Collaborative programs with K-12, Community Colleges, and Tribal Colleges and private colleges (when appropriate).
 - b. Average SAT or ACT scores of first time full time MUS freshmen

The parties further agree to:

1. The Montana University System shall prepare an Accountability Report presenting appropriate and current data for each accountability measure in an easy-to-read format.
2. The Accountability Report shall be presented to the House and Senate Education Committees and the Joint Appropriations Education Subcommittee by the 10th legislative day of the 59th Legislature.
3. The Accountability Report shall be posted to the Board of Regents website and the Joint Subcommittee on Postsecondary Education Policy and Budget website.
4. The Montana University System shall prepare a bi-annual update to the Accountability Report and post the Report on the Board of Regents website by January 1 each year that the update is due.

This agreement expires January 1, 2007.

Dated this 7th day of July 2004.

Senator Gregory D. Barkus, Chairman
Joint Subcommittee on Postsecondary
Education Policy and Budget

Representative Sue Dickenson, Vice
Chairman, Joint Subcommittee on
Postsecondary Education Policy and Budget

John Mercer, Chairman
Montana Board of Regents

Sheila Stearns, Commissioner
Office of the Commissioner of Higher Education